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**Jimmy:** [00:00:00] makes it, makes all the difference, like being able to like get that quick feedback. 'cause you, you don't realize like how, how annoying that was until you're freed from it, you know? It's kind of like fiat money. Did you notice

**Marty:** any hallucinations? Like was it pretty accurate in its editing

**Jimmy:** skills?

Yeah, I mean it's, it's not, I'm not asking it to do like really complicated stuff. It's, here's the text, correct. Grammar, spelling, all that stuff. And maybe rephrase something if it's like very murky or not understandable and, you know, it'll maybe restructure a couple of sentences. But mostly it's, you know, like it's your words.

It's just, you know what a good editor would do and you get it back and, yeah. Hey, if you give it more freedom, sometimes it'll let, it'll like come up with random references that don't exist and stuff like that, but mostly, yeah, it's, it's, it's very powerful if you're put in good, like

**Marty:** prompting guidelines.

**Jimmy:** It's, yeah. [00:01:00] I like you have to prompt it. You could even train it on your own text and say, you know, make it sound more like this. Mm-hmm. Because I, I did a good job on this. Um, yeah. But mostly like, if you define for it what you want, and as long as that isn't like creative, if it's like very technical or like, just like it, it's very good at it.

Yeah. Yeah. It's faster, it's cheaper. Yeah. The faster is the key. Um, very cheap. And, um, yeah, and you can try lots of different things, right? Like the ex, because the feedback loop's so fast and because it's cheap, you just try different things and hit on whatever it is that you want. I, I have it editing a lot of my stuff just in general, just because.

Like, it's, it's embarrassing when you post something and there's like an obvious spelling mistake or grammar mistake and so, so yeah, I just put it through there. And what's

**Marty:** the, uh, the workflow? Like when you say put it through there, are you [00:02:00]

**Jimmy:** hosting? So I write, I write it and then I take it and like give it instruction and say, okay, you're my editor.

Like, go, go edit this. Like a good book editor or blog editor of mine. So

**Marty:** you're doing this in the browser or do you have like a local instance that you're

**Jimmy:** running? No, uh, in the browser. Yeah. Yeah, so I, I, I subscribe to chat g PT I think like for 10 bucks a month or something. Yeah. And yeah, I use it all the time.

It's great. Yeah.

**Marty:** It's, that's one thing I need to, that's what I'm looking for. Like I use Ghost mm-hmm. To publish everything. Mm-hmm. I would love there to just be like a chat c b T Yeah. Bot within the editor, so you don't even have

**Jimmy:** to go to that. Yeah. I think, uh, Microsoft Word has something like that, Jarvis, or, yeah, it was some, something that uses chat G P T to like correct your stuff as you go or whatever.

Yeah. I've noticed it in Google Docs too. Mm-hmm. It's been, yeah. That, that might have something too. Yeah. Yeah. [00:03:00]

**Marty:** Do you think, uh, what's the balance of like hype versus actual signal in the ai?

**Jimmy:** Well, I, I think there's a lot of signal. Mm-hmm. And here's how I can tell, um, everyone's scared of it and that that's how you can always tell with New Tech is, uh, The first thing people think of is how it's going to be awful.

That's just how people are. So, um, you know, when the internet first came out, it was, you know, oh, it's gonna be all porn and it's gonna degrade everyone's morals and stuff like that. Um, cell phone first came out, it's gonna give you cancer and you're, you're gonna, you know, whatever. And like the microwave going all the way back to like electricity or even writing, you know, like people always fud things that they don't understand or the incumbents, you know, have, have an interest in or whatever.

They'll, they'll fud it. Um, you know, that, that's basically what is happening to AI right now is, oh, you know what, [00:04:00] if it destroys humanity or whatever, and it's, you know, Most of this stuff, it's gonna seem completely ridiculous in 10 years. What the heck were you talking about With, um, you know, like a machine doesn't have, uh, you know, a will of its own.

That's, you know, that's not what it is. You need to tell it what you, what you want, and then it just sort of like serves you. But yeah, that, that's how I can tell there, there are congressional hearings, all that stuff. And unfortunately, fiat tends to sort of ruin anything new by trying to put regulations around it and ossifying it.

Yeah, yeah.

**Marty:** No man. I certainly, I don't use chat G b t as much as I use Mid Journey. Oh yeah. I use that for the thumbnails and it's incredible. It's quick, it's

**Jimmy:** cheap and it, and it does such a good job. Really. Yeah. It's, it's extremely detailed and, um, and you don't have to pay anyone other than mid Journey for something.

I, [00:05:00] I've seen a lot of videos that use Mid Journey, you know, Like stills for a lot of that stuff. I mean, wait until we get video, that's gonna be, yeah. Insane.

**Marty:** Yeah. And I've already seen some, um, some of the examples of the video stuff. Yeah. It's, uh, it's pretty mind blowing.

**Jimmy:** Yeah. Yeah. I, I would say so. I, it's, it, it opens up another vector of like complete degeneracy, I feel like, but in a sense that that's what you get with every

**Marty:** tech.

Yeah. It's all double-edged sourcing. I mean, I mean, porn is still a big problem on the internet. Yeah. There's, um, people are addicted to their cell phones now, but it's just having that Yeah. Mental fortitude to really leverage the tools to increase your productivity and the quality of your life instead of letting them consume you.

**Jimmy:** Yeah. I, I wonder like how much of that lack of fortitude is due to fiat money, because in many ways, like the tech that we have is absolutely [00:06:00] incredible yet. Like so few people use it for, uh, to add value. Really, it's, it's mostly like, okay, now, now I can watch more porn or something. It's, it, it just seems very, um, self-centered and I wonder if that comes from a fiat mentality.

**Marty:** Well, it does fiat ruin everything? I

**Jimmy:** guess That's a good question. Including new tech. Yeah, probably. Yeah. I, I would say so. Um, but yeah, it, it's, it, it is this, like we, we complain about it as if the technology is the problem, right? Like, we have these cell phones or whatever. What if it's us? What if we're not like sort of, uh, good enough to handle this tech, right?

We're Prometheus with fire or something. Um, and we use the fire to burn things down rather than to cook food, you know? Um, in a sense like, Fiat, the grades are moral. So like we, we [00:07:00] don't have that fortitude, the mental fortitude that you were talking about, that, uh, patience and virtue that would let us maybe use these things in a beneficial way.

Mm-hmm. Yeah.

**Marty:** And so, I mean, this is a good jumping off point to talk about. Mm-hmm. The book Fiat Ruins Everything. What prompted you to write

**Jimmy:** this? Well, um, several prompts actually. So first the podcast that I do is called Bitcoin Fixes this. And the more I did episodes, the more I realized it's not that Bitcoin is so amazing, although it is, it's amazing.

But half of the stuff that Bitcoin fixes, it's just sort of like what Fiat ruined, right? It's kind of like, um, You're eating poison all the time and you change your diet and so you're not eating poison anymore and you are suddenly a lot better. Was it the new thing that you were [00:08:00] eating that's made you better or is it just the removal of the poison?

Well, it's the removal of the poison and a lot of things that Bitcoin fixes are like that. It's fiat ruins a lot of stuff and you know, being able to get rid of it or abstain from fiat is really the, the main power of Bitcoin. You know, it, it's the main thing that it gets that gets things

**Marty:** fixed. Yeah.

Reintroduces that good food that you can decide to eat instead of sugar or something. A high fructose corn syrup.

**Jimmy:** Yeah. Yeah. So that, that, that was definitely part of it. Uh, the other one was, um, I took David's, uh, Rite of Passage class. He wrote the forward for this book and uh, and I felt really empowered to go right.

And I feel like now I can just write any about anything for, you know, a couple thousand words without too much of a problem. Now I'm talking to somebody that writes every day. So you, you, you [00:09:00] kind of already had that power? Me, I, I, I didn't really have that power. Like, everything that I wrote was kind of, um, like a hard birth.

Right. Like, and, but I, I felt empowered after taking that class. So I started, uh, publishing on Bitcoin Magazine. A lot of these articles and, you know, I, I've modified them, but you know, the, a lot of the original ideas came from those articles and compiling them was it made sense at a certain point. So yeah.

That's the result. Yeah.

**Marty:** What was it like taking David's class? I've been following David for years. His a big inspiration about just getting out there. Mm-hmm. Writing consistently. And I've, you're actually. The second person I've met that's worked with him and gotten extreme value from, from the classes, from the perspective he brings to writing.

What, what were like a couple of things that he picked up.

**Jimmy:** Yeah. Uh, so first it's, you know, the, the thing that he teaches is, you know, [00:10:00] you don't wanna write from a blank page. You, you want to have ideas already. And you get that by taking good notes on the content that you're consuming. So if you consume an article, like you take notes on it, right?

And you get, uh, you get like the gist or the ideas that come to you during that, and you store them somewhere. And if you have like a backlog of good ideas, then it's a lot easier to begin instead of staring at a blank page and going through sort of that writer's block, uh, that, that comes from that.

Instead, you're, you're sort of, Taking an abundant amount of material that you already have and organizing it, and that's, that's much less daunting. Yeah.

**Marty:** Um, just thinking about my own writing process, it's without knowing that process that you've just described, it's sort of how I do it. 'cause I, I usually, I.

Anchored to tweets. Have you ever liked retweet or quote, tweeted mm-hmm. And articles [00:11:00] connected to them. Mm-hmm. But I don't write notes down. I just have them in my head. There's something I need to get better

**Jimmy:** at. Yeah. Uh, and the notes are kind of nice, especially if you have a good search function on your notes.

Mm-hmm. So like, okay, what are, what are some thoughts I've had about, you know, some topic? And then you can, can go look through them and now, now you have material to, to go do that. Um, and, you know, being able to start from somewhere is, is that, that's half the battle for me is, is being able to start. What note tools do you use that, uh, Evernote is the main one.

Mm-hmm. But, you know, I I, I also use like IA writer on Mac to just sort of ra write random things. I, I write a lot that I don't publish. Mm-hmm. Um, and that's, that's like a more of a habit that I've gotten into. Uh, The other thing that I thought was really insightful that from his class was, um, if [00:12:00] you write like how you talk, you'll get things out much better, right?

Mm-hmm. Like, so, uh, you know, I, I, uh, he recommended this tool, Otter ai. Mm-hmm. It's like a, it's like a tool for your phone and you can just start recording and then it'll transcribe everything and then you can copy that and put it onto something. And that, um, that process, and I don't, I don't necessarily do it this way, that process of just sort of being unfiltered and talking and you know, like, 'cause when you're talking, it's very linear, right?

But you just sort of get out whatever thought you have. Um, using that in your writing is very powerful. 'cause now you're not thinking about, all right, well how do I organize all of this in a specific way? It's. You're just sort of like having a conversation with somebody. Mm-hmm. Um, and that, that's very useful because oftentimes that's how people are receiving it anyway.

It's not, oh, [00:13:00] here's like a very specific logical argument. It's if it's conversational, it's a lot easier to read. So yeah. That, that, that was also very helpful.

**Marty:** Yeah. No, that's the one thing I try to bring to the Ben and it's produced by sort of, um, sort of heart boundaries I have for myself day in and day out.

It's like, oh, I have work to do. Mm-hmm. Outside of the Ben 10 31, um, the podcast, obviously. Mm-hmm. Like running the site and I always wanna write. Every day. It's like, I have this time constraint where the only way I can actually get something out every day is just write how I speak. Mm-hmm. Like, have it be like a conversational thing.

Going back, like I have always wanted to incorporate like an editing process, but I've never, I've never done it. I, I literally just write, it's like a stream of consciousness and then I hit send. That's why I want like the, the publisher to have chat g b t to do like the small [00:14:00] grammatical in spelling errors that they can catch on the way.

Like I'll do one swoop for, for spelling errors before hitting send, but it's not robust or thorough.

**Jimmy:** Yeah. I, I will say though that the editing, um, like ups your writing significantly. So, uh, if, if you go, you know, first draft, you know it's okay, but you edit it a couple more times, like it can, I. It often turns into a home run from something that was mediocre.

Yeah. Pretty, pretty fast. So the, the key, um, to that process is just being willing to read your stuff again. And for whatever reason, that's not too difficult for me. Uh, it, it's just sort of like, okay, well I'm, I want to make it sound good. And you almost get different eyes the second and third time that you look at it.

'cause you've maybe thought about it more or you have different ideas and you wanna incorporate them. So Yeah. That, that's helpful for me too. Yeah.

**Marty:** That's [00:15:00] one thing. Um, I promise for you 'cause I'm gonna start editing more. Um, no, you're saying you're gonna tease me to write a book. Yeah. You're not the first person to tease me to write

**Jimmy:** a book.

I've, yeah. I How does a person that writes every day not have a book out? Like, you've been doing it for like three years too? What the heck, man? Six years now. Six years. Okay. Yeah. It's a long time buddy. Why, why, why don't you have a book out? I don't know. I think.

**Marty:** I think I've, I don't know, maybe I've pigeonholed myself into this medium of like 500 to 2000 words a day.

And

**Jimmy:** Yeah. You do that for like a month and that's a book. Yeah. Well, I guess that's the

**Marty:** thing. Like the looking at this, how many pages is

**Jimmy:** this? 340.

**Marty:** Three 40, like looking at this and thinking about writing mm-hmm. This much is almost daunting, where like, sitting down and writing again, 500 to 2000 words is much,

**Jimmy:** much more approachable.

Yeah. I, I didn't write all 90,000 words at once. I know it was, it was 500 to 2000 words at a time that Yeah. [00:16:00] And, you know, I, I think all books are like that. I know very few people that can write more than like, five pages in a day anyway. Yeah.

**Marty:** And so how, like, so that's the other thing, like how do you structure a book?

**Jimmy:** Yeah. That, that took a while. 'cause I, I had a lot of individual ideas, uh, and I wasn't happy with like the first two. Sort of layouts or a table of contents or how, how it was organized. And it wasn't until I got to Georgia and I was, uh, talking to some Bitcoiners there and uh, and one of them was like, Hey, you know how you should organize it?

Remember that talk you gave like four years ago? And I was like, yeah, I remember that talk. He's like, should organize it like that. 'cause it, it like clarified for me, like, uh, all the different incentives and the talk that he was talking about was when I gave it the block boom, like, uh, a few years ago.

And it was all right, here's how it [00:17:00] changes. You know, fiat changes things at the individual level, corporate level, national level, global level. He's like, you should structure a book that like, like that. I was like, Hey, that's actually a really good idea. So I went and tried it and I was like, you know, I, I like this sort of like way of thinking, uh, or way of presenting 'cause.

Then you can sort of build on it and it's, uh, it goes down to the micro level of the individual and the lack of savings vehicles that we have all the way up to the global level with the dollar hegemony and how that changes the geopolitical incentives, uh, at play. So, you know that, that, that was a very insightful thing, and thank you for that, by the way.

I can't remember that guy's name, but you know, he, you know, it was just dinner and we were hanging out and that's what he told me. I was like, oh, it's a good one. So, you know, it could come from anywhere, I guess, but yeah, no,

**Marty:** like structuring it in [00:18:00] this way, like starting from the individual working up to like the nation state.

Mm-hmm. Geopolitical level. Think it just highlights how, again, fiat ruins everything, like in a fractal,

**Jimmy:** right? It really does. 'cause it really does come down to, you know, the ability to print money and how that pushes all of this badness. Everywhere. Um, and it does at the individual level and the corporate level and the national level.

And the global

**Marty:** level. Yeah. I mean, so let's just run through some examples going through that structure, like Okay. In terms of the individual, like what do you think are the worst ways in which Fiat ruins the individual's ability to have a better quality of life?

**Jimmy:** Yeah. I, first of all, it's uh, you know, fiat money means that we're all living on debt instead of savings.

So I think, I think it, it corrupts the character of people. 'cause, I mean, you have kids, like, what, what's better for your kid if you make them [00:19:00] go save up to go buy a toy? Or if you give them the toy right away and make them two chores afterwards? Right. What, what's better for the kid? It's that I saving and getting what you want at the end is what you want to teach them yet.

You know, the, the debt fueled system that we live in is completely backwards. We get what we want right now, and then we pay it off, uh, over a long period of time. And this is true of almost everything now, right? You can finance anything that you buy pretty much, uh, housing's the obvious one, but even cars or even stuff on Amazon, four easy payments of 39.99 or whatever.

Um, this is, this is what's been happening is that we, we get into this like slavery mentality of, okay, uh, I can, I, I, I can indulge in whatever high time preference desires I have and just pay it off later. And then we're surprised when we're miserable [00:20:00] paying it off for our indulgences, you know, way back when.

Mm-hmm. So it corrupts our mentality, our, it makes us very high time preference, um, and. Not having a good savings vehicle also means that we're sort of ushered into that, um, that, uh, you know, high time preference mentality. Um, it changes how we work, uh, or, or like the types of work we have. And it's getting more into sort of like the corporate level, you know, everything, uh, every organization is enormous.

There, there are incentives at play that basically make it a winner take all game. And that's because if you're a big company, then you have access to way more loans. So the bigger, big companies get bigger and can crush smaller companies because smaller companies don't have access to these giant [00:21:00] loans, to the corporate bond market to money printed out of nothing.

So, uh, that means that most people work for giant corporations in one way or the other. And that means that you have one con one customer for your work. And uh, and if you, if you have all your eggs in one basket, well you're going to make sure that that egg doesn't get cracked or something. Right? Yeah.

Beholden to that basket. Yeah. Basically. And you, you have to do, you sort of make your beliefs aligned with that. And because corporations get very political because of the presence of fiat money and non sort of market incentives that come from that, um, means that you have to play this political game.

It's not all about merit. I mean, there's some merit involved, but you know, there, there's a lot of rent seeking positions in these places now where you don't have to do anything. Right. If you're a [00:22:00] D E I officer and have the right race or whatever, like it's gonna be hard to fire you. So you. You know, you kind of don't have to do whatever.

So, um, changes the incentives, uh, for good work. Right. Um, so your work becomes less meaningful. Um, yeah, yeah.

**Marty:** Uh, walking through that just mm-hmm. The topic of like the managerial class and Yeah. Having access to all this cheap debt and a lot of VC money. Mm-hmm. And it really skewed the metrics that companies use to gauge success, one of which became headcount.

It was just like, you just grow your headcount and your company is successful. Mm-hmm. And that led to creating this managerial class of people mm-hmm. Who really didn't do anything to add productivity and utility to the company's underlying good or service. At the end of the day. It just created a bunch of [00:23:00] bloat and, and.

Um, more meetings. Mm-hmm. More time wasted for everybody who's actually doing productive things like

**Jimmy:** Yeah. And, and thinking about like that headcount thing, right? That's, that's another artifact of fiat money because in a sense, uh, when, when you're a central bank, when you're, uh, thinking about unemployment as one of the metrics that you have to make sure of, uh, sure doesn't get high.

Um, the secondary incentive there is, okay, make sure that you're, you're hiring enough people. So governments end up subsidizing businesses that have more employees rather than the ones that might be benefiting society. So we saw, for example, in 2008 with like the GM and Chrysler bailouts. That it was more about like saving the workers, right?

Yeah. The [00:24:00] u a w rather than, you know, any sort of domestic industry or creating more and better cars. It was just, all right, let's just make sure that we keep these people employed. We have to keep them employed and happy, or whatever. So headcount becomes a thing because it's a political calculation, uh, in a democracy, especially because those people vote.

So you, you have to subsidize them, or you have to get, gain their favor by bailing them out. So, you know, at, even at the nation level, you're, you start getting, uh, these weird incentives where, you know, because the government can essentially print money, they, they give out stuff for free all the time and, you know, it's, it's all money extracted from people that are actually productive.

**Marty:** Yeah. No, and that brings up. A topic that we should definitely touch on. Like I wrote a newsletter. Mm-hmm. Yesterday on Labor Day. Mm. It was just reflecting [00:25:00] on the labor numbers that came out last week. Mm. The jobs reports. And, uh, another very fiat thing is data revisions at the Bureau of Labor Statistics.

And it was really ironic there sitting, uh, on my day off at the house and just thinking it's Labor Day. And I think people don't really reflect on what is Labor Day. Liberty Day is a day for laborers to rest and reflect and mm-hmm. Um, to enjoy time with their family. But I kind help but think considering where we are here in the United States, particularly with the economic situation, that a lot of the laborers that were off yesterday were not really reflecting and, um, resting.

They're probably under an immense amount of stress mm-hmm. Because of the state of the economy and the jobs market. Um, and. The final thought of that letter was like, the way out is sound, money and strong families. And that like gets back to what we're talking, like when you corrupt these [00:26:00] incentives, like, and you have the state replace the very important parts of the family, particularly the father with these handouts, again, it just creates these terrible incentives where you're not really incentivized to build a strong family 'cause you have this weak money and then that has compounding effects, um, throughout the economy

**Jimmy:** or, yeah.

And the, and the family thing is particularly interesting because in a sense, The state wants to induce dependency, right? They, they want people to depend on them because that, that, that's what gives them power. The, the more dependency there is from a particular class of people, the more power they're willing to give them because, hey, you're taking care of me, right?

Like, that's the least I can do is to vote for more power to the gov, uh, to the government. Um, and that in turn means that there's less dependence on everything else. And traditionally, the dependence that we had, Outside of ourselves, [00:27:00] was your family right? Or your community, your tribe? Um, all of those things.

Like we are, we're not dependent on those things anymore. And in fact, like, uh, you know, I, I begin the book, uh, you know, talking about like, sort of the modern lament, right? Like what, what happened? Like when you were a kid, you probably knew a lot of your neighbors and you know, their families and stuff like that.

A lot of people just live in a house and go to work, and they, they have no idea who their neighbors are. Mm-hmm. And they're, they're very sort of disconnected. Part of that is you're dependent on something else. You, you don't, you don't depend on your neighbors for anything. You don't depend on your community for anything.

You depend on the government. You depend on the people that are providing you stuff. So in a sense, there's way less incentive for bigger families. For more families. In fact, like having a. Family period is, is too much of a responsibility because if you're dependent on [00:28:00] something you, you don't, you're kind of saying, I don't want responsibility.

I want, I want someone to take care of me. And that's, that's where they are. Yeah. Yeah.

**Marty:** No, I mean that, there's a viral clip going around Twitter this weekend of a mm-hmm. Of a woman. She's 29 years old, and she was bragging about being a single 29 year old without a family, and just talking about how she was able to go out to a Beyonce concert, stay out partying until 1:00 AM sleep till 10 15, and then learn how to cook a particular recipe and watch TV all day.

Like she didn't have any responsibilities. Mm-hmm. And she was comparing that to people with families and like, Hey, you're missing out on all this fun. And it's like, oh man, you've completely missed the mark here. But for better, or. Unfortunately that's mm-hmm. The state of many people's lives right now, particularly millennials that are coming of age, entering their thirties, they're [00:29:00] sort of been psyop into believing.

They're like, oh, just living this hedonistic lifestyle of just going after your every want at any given point in time is, is much preferable to raising a family. And I think subconsciously there's a blocker there because of the economic burden that people believe comes with raising a family, which I think is overstated to a certain degree.

Mm-hmm.

**Jimmy:** But, but it is there and in, in a sense like, uh, the, the, uh, sort of inward focus, hedonism and narcissism, the. Um, you know, like naval gazing mm-hmm. I guess of, uh, of the last 50 years, right? Like think about like social media and stuff like that and, you know, how many likes am I getting on my Instagram picture or something like that.

Tho those are all I focusing inward, and this is what happens when you have no responsibility. You just think about [00:30:00] yourself and what that woman is doing is thinking about her own happiness and using that as sort of the metric by which she measures her life. And in that sense, it maybe doesn't make sense to go and have a family, but is that all there is?

That's, that's a very kind of shallow and fickle sort of goal to have If you have some other goal that's, that's a lot more I. Um, noble, I would say, but also just long term, uh, you know, thinking about the legacy that you're gonna leave or the changes that you wanna make into the world, then yeah, like having a family is a, is a large part of that.

And unfortunately, people don't think about any of those things because in a sense they're, they're, they're part of the dependent class. They, you know, they, they think only about being taken care of instead of taking care of [00:31:00] things.

**Marty:** Yeah. No, and it goes back to that line of instant gratification versus delayed gratification that we started the conversation off with.

Mm-hmm. Like in this case, like you have a lot of emotional debt that you're building up in return for that instant gratification, but down, down the road, if you don't delay any of that gratification, it's pretty. Dark life, you wake up in your forties, you don't have kids, you don't have a family, you're not viewed as particularly cool if you're going out and doing, uh, those hedonistic things.

Gonna conscious gonna bars by yourself and just partying. Like that's, again, weighing that opportunity cost. I don't think people my age and a bit younger mm-hmm. Recognize that that opportunity cost

**Jimmy:** exists or, or that, or how high time preference they're being. Yeah. Because they, they only think about now.

Um, and this is the thing about fiat money, is it sort of suspends reality for a while, right? Like it, it, [00:32:00] uh, it lets you believe that you don't have to live by the rules of reality in many ways. You, uh, you can sort of suspend it by getting into debt. You know, money is usually the solution and you, you get into that and bring consumption forward and.

You don't think about all of the payment that you're going to have to do later. Um, and it's interesting that you phrase it as emotional debt or, uh, something else. It's, it is in many ways, like just stuff you're gonna have to pay off later with misery because if you are 50 years old and you don't have any progeny, and maybe some of your friends are like that, or I mean, you're hanging out with a few other single friends that are just as miserable as you are, and that is not a good place to be.

And I mean, [00:33:00] most people live till they're like seventies or eighties. That's that's a long time of misery that you're setting up for yourself. So you can have a few years of fun in your late twenties. Yeah,

**Marty:** and like we were discussing it before we hit record, like just looking at my kids, like sent my son off to school today and he's three, three and a half, he's almost four.

And it's crazy to think of how big he is and how quickly he is grown and then apply that to my own life. I'm like, holy crap, I'm already 10 years outta college. Like, it goes like that, like this, like life. It's true what they say. I'll never forget, in high school we were, uh, beginning of my senior year, uh, it was around Thanksgiving and all the kids in the grade above us came back from college, uh, and played football like around Thanksgiving, like at the field.

And we ran into them and like, it was hilarious 'cause they, they came to us and they were like boys, I enjoyed this year. [00:34:00] Like it's, uh, It's, things change quickly when you get to college. Like enjoy it, like basking it. And we were like, all right, losers like, you're just trying to live your glory days. But no, they were like trying to, it was funny 'cause they're only a year older than us, but they were really trying to get the message across like, savor this, enjoy this.

Like, do not waste. What you have here. 'cause it is special. It's, we went to a pretty tight mm-hmm. All boys prep school. Mm-hmm. Um, and once you leave that sort of confined space, uh, and culture and then go out spread into the world, you realize like, uh, it's really special what we had. Like we should enjoy it while we're here.

Mm-hmm. Um, and likewise the topic that we're talking about, like mm-hmm. Yeah. Your twenties are cool, early thirties are cool, but that should be like a time where you're investing in yourself and mm-hmm. Beginning to, to build a family. 'cause it passes you by and then you wake up and you're not the cool 25 year old

**Jimmy:** anymore.

Yeah. And that, that's, uh, that, that's suspension of reality, right. That, um, [00:35:00] and this is, this is something that fiat money sort of like, Deceives you into thinking will be continually true. The, the entire fiat structure is built on ossification, right? Um, whenever you have a company that gets to a certain size and they wanna stay in the position that they're in, they get all sorts of regulations and stuff like that built for them so that they can keep, keep their, um, place in the economy.

Uh, even like politicians, right? They, they, they're like really old because they don't wanna leave and they, they figure out ways to sort of, um, make it so that newcomers can't get their position. The, the entire structure of fiat is sort of, you get to keep what you have right now and it'll just stay static, right?

Like that, that's 'cause that's the most comfortable and safe thing. And in a sense, like when, when you're thinking. From that perspective, [00:36:00] you don't think there are any consequences to any of the things that you're doing now. So you do think in some weird way that you are going to be cool at 45 as you were at 25.

It's, it's sort of like this weird mentality that's sort of pushed on you because everything is built around keeping the status quo.

**Marty:** Yeah. And then that leads to complacency, uhhuh, like not only at the individual level, but the company level too. Like we talk about emotional debt like, but like at the company level to corporate level, like the amount of zombie companies that are out there just 'cause they've raised a shit ton of money and have been able to ride the zero interest rate.

Mm-hmm. Gravy train for 15 years. Like now the interest rates are, uh, where they are at five point a half, 6% wherever the fed funds rate's sitting right now. The zombie companies are really having to come to grips with the fact that they actually didn't build anything of sustain, sustain, they didn't [00:37:00] build sustainable businesses at the end of the day.

I mean, WeWork probably being the greatest example, their corporate bonds are trading at like 90% right now. Which is a signal that like, oh, this business actually doesn't make any

**Jimmy:** sense. Yeah. A a lot of it. And, um, well, like if you look at something like I B M, right? They used to make a lot of stuff. It's international business machines, right?

They used to make machines, but they've sold off or used, um, you know, used fiat money to let you know, basically sell off various units. And they're now like almost purely a services company, right? Like they're not providing value to anybody. They're, they become a zombie. In large part because of this availability of debt, and that means that they can bring consumption forward.

So from what I understand, they, they've used debt to pay out, uh, or to do stock [00:38:00] buybacks mostly. Mm-hmm. And that, that's a way to sort of prop up their stock price, not through having better cash flows or profits or inducing demand, but by shrinking the supply of their stock, reducing the denominator. Yeah.

And this, this is, this actually turns out to be a viable way of surviving in a fiat economy because you have, if you're a large company, you can always get lots of debt. And if you can use that debt to prop, prop up your stock price, then you can. You know, that, that that ends up being like, um, a reasonable play, but they don't produce anything.

It's, it's

**Marty:** all rent seeking. Yeah. Which gets to a, an even deeper problem, which is that these vehicles, these stocks are typically, uh, a way in which people try to preserve their wealth over time. Right.

**Jimmy:** And it's, uh, and those things all are way overpriced and they're, they've taken on something of a monetary role as a, as a store of [00:39:00] value because there aren't good stores of value.

So when you, when you don't have money as, as a good store of value, everything else sort of takes on some of its characteristics and does kind of a bad job at it. But that also means that the actual utility of, uh, of the thing is now compromised because there's this additional, um, Uh, utility that it has to serve as, as, as money.

So, for example, housing, right? We're we're talking about families earlier. Why, why is it that so few families are, or why, why are birth rates so low everywhere? Well, part of it is because, because of the presence of so many rent seekers, both parents have to work. So both parents are working well, you're, you're just not going to have that many, um, that many babies, right?

Like, you're kind of limited 'cause well, who's gonna take care of the kids, right? That, that sort of thing. Um, [00:40:00] so maybe, maybe you can get to two, maybe three. But you know, at at four you're starting to really push it and it, it gets very difficult. Uh, the other one is housing, right? If you're going to have a big family, you need a big house.

But guess what? Lot of housing has the store value premium. So, The people that want to own a house, so they, uh, own a big house so they can have a large family. They're priced out by the people that are owning a large house because they wanna store value. So housing costs have gone up significantly because people don't trust the dollar and they, they, uh, they want a good investment.

So, It's not being used for its intended purpose, which is, you know, housing people, right? Like giving people a place to live. So this is especially bad in Asia, right? Uh, Korea has the lowest birth rates in the world right now. 0.78. Yeah. Uh, [00:41:00] 0.78 children per woman. So it's like, it's like way below one and that, that's like demographic, like it's way, way past the point of no return.

Um, and, and you know, you, you go there and you realize exactly why almost every couple that has a kid, both parents are working. So you're, I mean, most couples have like one, um, two is very unusual and three is extremely unusual because again, both parents are working. And besides that, all the real estate is really, really expensive there, because I.

Uh, um, you know, first of all there's not as much land and, and second Asian people like use real estate as a, has, have traditionally used real estate as a store value, which is why you get entire Ghost cities in China, because there's so much demand for housing that even if no one lives there, people are willing to go buy it.

So you, you have these confluence of factors and [00:42:00] therefore you get very, very low birth rates. And that's, it's, it's fiat money. It's, it's really kind of, you know, the, the big families of Yes sir, you don't exist because fiat money has priced them out.

**Marty:** Yeah. No, the housing situation here in the United States is actually pretty scary.

Yeah. Where it seems like the market's like got this, it's like floating in air, like waiting for like a free fall or a melt up. Mm-hmm. If the money printers get turned back on, but it's literally. Insane. Like, I'm from Philadelphia and, uh, I mean, I was back on the East coast all summer and talking to friends, like trying to buy houses in the area, not even in the city, like in the suburbs, it's like there's 40 to 50 bids per house.

People like offering up a hundred thousand dollars above asking with no inspection. Mm. Like just to get a house because they just wanna raise their families. Like that's a lot of the people I grew up with and that live in, [00:43:00] uh, the area I grew up. Mm-hmm. Like they're, they are trying to keep the tradition going, come from like mm-hmm.

Pretty strong Irish American, Italian American, like big Catholic families. And like the people my age are trying, uh, from where I'm from are trying to keep that, that trend going. And it's just like literally becoming impossible to like actually. How's a family,

**Jimmy:** which is insane. Yeah. 'cause of the store of value premium on real estate.

Yeah. And that, that's just one of the many, many ways in which like families are disincentivized on their fiat money. But I mean, even something stupid like child car seats, right? And this is from Thehow car seat lobby that has essentially bribed all the, all the different state and national legislatures to say, okay, well you have to have one for anyone under this age.

I mean, I didn't have that one. I was a kid. I, I, I don't know about you, but that, [00:44:00] that was like, like, no, no one had car seats. And if you can't transport them, because like the housing that you need, uh, you're able to afford is like, so far away. You need a car. And if you, if you need like a giant passenger van or you know, A car that costs like $70,000 instead of 20 or 30.

Yeah. That, that, that's another cost too. And yeah, the, these are the subtle ways in which, you know, families have been basically disincentivized everywhere. Yeah. It's

**Marty:** terribly sad. Like, do you think I'm gonna get, uh, picked on mm-hmm. Made fun of for even bringing this question up because cloud world doesn't have a top.

But like, are we getting close to the limits of the insanity of fiat, do you think?

**Jimmy:** What are the limits of

**Marty:** it? Are we getting close? Like how long can we sustain this? Uh, yeah. Well it's fiat economy 'cause it seems [00:45:00] like. Who knows. It's been said many times in the past, but I don't know, I'm not gonna say this time is different, but I think the amount of stress that people are under is so immense that it's hard to imagine that something doesn't break structurally within the fiat economy.

**Jimmy:** Well, it's already breaking, right? Uh, the thing about raising rates is that, you know, fiat money, especially under zero interest, you can suspend reality in all sorts of ways, but, uh, when rates are rising, you're bringing a lot more rationality into the market. And what we're seeing right now is rationality being put into the market.

A lot of companies that like have to, uh, you know, go on their merits and not on cheap loans, they're starting to break. Right. And we're we, I mean, even sort of like at a consumer level, we saw, you know, bud Light and Target well, You know, they, they would've ridden this out just by getting, you know, [00:46:00] like issuing more paper or something like that and getting, uh, using money as a way to go against the boycott and probably killed it early.

But because of the high interest rate environment, you don't, you don't have access to that. You can't, you can't just sort of borrow your way out of your problem. So rationality is sort of being put back into the market. And in particular, uh, you know, I I, I was reading, um, an interview with the c e o of waste Management.

Mm-hmm. And uh, what he said was very enlightening. 'cause he said, I can't find garbage truck drivers for $95,000 a year. He, he's out of Houston, I think, and he's like, I can't find them. Like there, there's nobody willing to go drive trucks for $95,000 a year. But you know, like, um, uh, a graduate from a mid-tier business school for [00:47:00] $65,000, I, I can hire them and I can hire them all day long.

So what does that tell you? That there is, I think at, at a certain point, like emphasis being put on actually providing value. 'cause if you're driving a garbage truck, you're doing something that is clearly adding value to a lot of people. Yes. But if you are manipulating Excel spreadsheets on a project that's not going anywhere in your company anyway, well, that's, that's a rent seeker.

And those people are, you know, like they're, they're starting to get priced appropriately. Like even like the u p s uh Yeah. Thing recently. Uh, you know, the average price, uh, um, average salary of a 170 grand, 170 grand. And I think they deserve every penny 'cause they're doing something that is actually providing value to everybody, right?

So in a [00:48:00] sense, the, like, as interest rates rise, we're, we're seeing some rationality come back in and instead of, you know, some HR professional getting paid 170, you know, you're getting the U P Ss driver that's getting 170 and like the, the HR professional that was at Twitter, you know, probably got fired during the Elon Musk takeovers.

Thi this is, this is, I think like healthy, this, this is where, where we should have been going. And reality is like reasserting itself as, as you're getting higher interest rates. But of course, like. When does that break? Absolutely everything. I, I like, if they keep raising it, it'll probably bring way more rationality into the market.

And in that sense, I'm, I'm very happy about it. But you know, there, there are li there are just so many things that are broken. Well, like, does everything collapse? Probably at some point, but I, I don't know exactly when. [00:49:00]

**Marty:** Yeah. I mean, we saw last year with, or earlier this year, not even last year feels like a year ago, but all the bank blowups you had to step in with the B T F P.

Yeah. Um, so it's certainly breaking something, but it was like, even in those instances, people were a bit pissed off. It's like, Hey, just let the markets clear. Mm-hmm. Like, this is what you're supposed to be doing. But again, that's another problem with fiat is that it has these levers that are controlled by men who are easily manipulated, um, by emotion and politics particularly.

And that's, that's obviously what's likely to happen is. Especially when you consider like the rollover of treasuries at these interest rates, and you're probably gonna explode above $1.5 trillion in interest expense at some point next year. Mm-hmm. At that point, you just look at the numbers, you're like, there's no way out of this.

Like, we have to lower rates

**Jimmy:** and print more money. Well, and they, they're gonna wanna suspend reality. 'cause reality is gonna be just so painful. And that that's, that's kind of the thing [00:50:00] that we've been doing for, I don't know, like 70 years or something. Right. It is just sort of, all right, this is too painful.

Let's just print, print more money to take care of it. This is too painful. Let's take print more money to take care of it. And that's, you know, that that's happened over and over and over. And finally they're now raising interest rates, so they have some room to go do that later. Um, But, you know, first of all, I don't, I don't know if it has the impact that they think, well, they will.

Like, so if, if right now rates are around five, right? You drop at a full point. I don't know how much that stimulates the economy. Right? Um, it used to be that a tiny move in interest rates was enough to stimulate everything. I think after the crash of 87, I think it was, um, they, they lowered it from like 5.2, five to five, and that was enough to just stimulate everything.[00:51:00]

And then 92, they had to lower it from like five to like, like two full points or something like that before it stimulated. And like 2001, they, they had to like go close to zero. Mm-hmm. And then 2008 they put it to zero and that wasn't enough. It to that qe. Yeah. It's like the, the bombs you need are.

Getting greater and greater. So I, I don't, I don't even know if any, any of that will work like five, five and a, like you need to keep it at this level for a long time for it to, um, you know, have the effect that the Fed wants it to have. Like where the market's so sensitive to interest rates again. Yeah.

**Marty:** And then again, do they have the political will to hold it higher for longer? Yeah. Seems like to date, they seem to be standing pretty steady. But you have to imagine rolling into an election year, if things get pretty bad, the attacks [00:52:00] from the Elizabeth Warrens of the world are gonna get so, so loud. They just cry, uncle.

**Jimmy:** Well, is it though? 'cause in a sense, I'm, I'm not sure. Um, because, because the. Uh, people in power are, um, well first of all, you, you, you do need to raise interest rates to clear out all of the junk because there it is junk. Like the market is just completely full of junk. And if you don't get rid of that, then you, you have no industrial capacity.

A as it is we have like trade deficits with lots of countries, especially China. Like you're the prospect of bringing any of that back depends on interest rates being staying kind of high. 'cause you know, you, you get way more rent seeking the lower the rights you have. So it, it, it's, it's a weird problem.

And [00:53:00] because like politics has changed so much, it used to be that Democrats used to, um, represent mostly working people, but now it's like, All the big corporations and rich people, like if you're ri you're Yeah, they become the

**Marty:** war party.

**Jimmy:** It's, yeah. Yeah. I mean, it's, it's completely turned over where they're like the prodrug or pro uh, pharmaceutical pro big business kind of party, and it's like completely unrecognizable from 25 years ago.

Like this, this is the way you sort of like start healing an economy like that. I, I, I don't know. They, they might hold the, these rates for a while, um, even past election day. Um, uh, because I don't, it, it just seems like they, they need to do something drastic to correct for all of the stuff that's gone before.

**Marty:** Yeah. [00:54:00] Yeah. And how do we articulate this to the people that are gonna be going to experience the pain that comes with this market cleansing.

**Jimmy:** Yeah. Reality, uh, I'm not sure, but I suspect it'll be distraction. Distraction, distraction. Like, I dunno, maybe, maybe we start Aurora with Russia or something like that.

Or maybe that's enough of an impetus to, you know, um, lower rates maybe, or like put it on a different footing. Well, I'm talking

**Marty:** about like a hypothetical where we run with the idea that we're gonna hold them higher for longer. Mm-hmm. Let the market clear mm-hmm. And articulate to people like, Hey, this is gonna suck, but it's gonna be good in the long run.

Mm-hmm.

**Jimmy:** Yeah. I, I don't know what the political, um, move would be there, but I, I suppose blaming somebody for it would be the way to do it. Um, yeah. It, it's hard to say 'cause. [00:55:00] They, they suspended reality for so long, like the amount of time that they need to hold higher rates. And I don't, I don't think five's high enough.

I, it needs to go to like eight or nine before all of that stuff, like really clears. But then you have like very high, you know, like one of the, one of the things that I, I saw recently was that, you know, since the debt ceiling has been lifted, the treasury has spent like an extra trillion dollars, right?

Yeah.

**Marty:** Uh, so that plan, plan to issue 1.85 trillion Yes. For the

**Jimmy:** rest of the year. So that, that's a, that's a lot of money entering the economy. Um, but the rest of, uh, you know, the non-government sector has been shrinking. The, the money supply everywhere else has shrunk significantly. 'cause So they, they've actually, like, if you think about it, you've transferred.

Corporate debt into [00:56:00] treasury debt because consumer debt's going up, corporate debt is unwinding, and that debt is essentially being taken up by the treasury. So if that's, that's what they're doing, then they're trying to provide something of a softer landing for the corporation somehow. Um, and, you know, sacrificing individuals essentially to, to do that.

Um, and, you know, taking on more debt as a government, but like you have this middle of corporations that are benefiting out of this. Yeah. Yeah. So I, I don't know how it plays out though, like, or how they spin it or whatever. It, it, it does seem like they're trying to help the businesses as much as they can by taking on more debt though.

**Marty:** Yeah. That's a pretty precarious situation we find ourselves in. Yeah.

**Jimmy:** Uh, it's a lot of debt to unroll, right? Like a lot of leverage to unle. I mean,

**Marty:** yeah, the headline national debt is [00:57:00] what, like 33 trillion now, but then you factor in unfunded liabilities that balloons like 250 trillion and then a quarter of a quadrillion

**Jimmy:** dollars, and then you got state debt, you got local debt, you know, uni, municipal bonds and stuff like that.

It's, it's an enormous quantity of money and it's, it's a significant percentage of basically the money in circulation. And

**Marty:** so at the individual level, like how in your mind can individuals begin to sort of like detach themselves from this and inoculate themselves from the negative consequences that'll come from either the market clearing or more.

The same madness that got us in this, this predicament.

**Jimmy:** Well, if interest rates are rising, you need to get out of debt, right? Because it's just gonna cost more and more, um, as you roll it over or take on more or whatever. [00:58:00] Unfortunately, most people are going the other way. They're taking on more debt, um, in terms of credit cards and things like that, which is, uh, which is the wrong way to go.

Um, so get outta that, uh, start saving and say we have a great savings technology. I'd love to tell you about it. Right? Um, that, uh, that, that is, is the saving grace in this whole scenario. 'cause you, if you have a saving sec, uh, you have a savings vehicle that's not getting Deb based, well then. Whatever happens, you'll be okay because you, you have a certain amount of savings that's not gonna debase that, that, that's a large part of it.

But the other one is get out of your fiat job and start providing value. 'cause that's what the market is rewarding anyway. Um, you need to provide real value. If you're a welder in South Dakota right now, you're making easily making six [00:59:00] figures. And even the u p s truck driver or whoever, those people are all going to get paid more, um, as you suck the capital away from the rent seekers.

Uh, I, I mean, and AI probably plays a part of this too, is these companies are gonna need to cut cost. And what are they gonna get rid of? Well, they, they have to play more rationally in this market 'cause they don't have access to cheap loans. They're gonna cut the unproductive people. These are the rent seekers, the, the people that aren't contributing anything.

So getting out of a fiat job and providing value and maybe, uh, providing a good or service directly to the market, I think is probably the best position that you can be in to, um, sort of handle this uncertainty that's coming. [01:00:00] Yeah.

**Marty:** It's really disheartening when you think too, like going back like Fiat Ruins everything, like the university system has set a lot of this rent seeking class up for failure.

Mm-hmm. Like that's, You sort of have to feel for people where they were fed this idea, particularly millennials. You go to high school, you get into a good college, you mm-hmm. Take your student loan out and go get a degree and you'll get a job. Mm-hmm. And work your way up the ladder, eventually be making six figures.

Mm-hmm. The university system completely set people up for failure and fed false promises and unrealistic expectations into their minds.

**Jimmy:** Yo. Oh, like by a lot. Right? Because you, you're, not only are you saddled with like an enormous amount of debt, like the first job out college that you're gonna get is gonna pay like $45,000.

Like, you, you, you could have gone to, gone and learned like welding [01:01:00] or being an auto mechanic and make like triple that, right? Like it's there, there's so many things where if you, you're actually providing value to people, you would've gotten really paid and. Uh, like a lot of these jobs, they're, they don't have anywhere near enough people, right?

Like, there, there's a giant shortage of welders, for example. Um, and it's, uh, unfortunate because the fiat system has said, uh, has basically made it so that the high status jobs are the ones that are in many ways the most rent seeking, whereas the low status jobs are the ones that provide value. So, you know, um, this probably will get flipped somewhat because already like a, a lot of these jobs are kind of seen as more steady, uh, you know, if, if you're driving [01:02:00] trucks, like you're doing pretty well.

Um, and yeah, I, I, I think that's the direction we'll be going is less rent seeking, more providing value.

**Marty:** Yeah. Does that mean we have to retrain a whole workforce, a whole generation of people?

**Jimmy:** Probably. I mean, like I was talking to my cousin when I was in Korea and uh, he had done some business stuff in America and he came back after he got divorced and he started learning how to, um, operate some construction mini machinery.

And like, he's like, that's what I'm gonna do. 'cause that's what's paying right? And it's something that I can get into without too much training. You don't need like, you know, a, an advanced degree or something like that. And I like, that's just practical. It's like, okay, yeah. That's the way to, that's the way to do it.

And maybe you're not considered [01:03:00] part of the elite or something like that, but what's, why do you need to be part of the elite anyway? Like it's, it's not getting you anything, uh, at least at this point.

**Marty:** Yeah. Is that another psyop? Like mm-hmm. How much is enough? Like, you don't need to go. Yeah. Make a million dollars a year.

You can be completely content in a same world with mm-hmm. A humble salary and a good

**Jimmy:** family. Well, the reason why people want more money or feel like they need it, is because of the uncertainty of the money itself. Because you don't know if that million dollars is going to be now, like, have half the purchase, uh, purchasing power in 10 years or something like that.

And historically that's been true. Like a million dollars used to be a lot of money, but it's not anymore. It's because, you know, the money's continually debasing. So people, the more uncertainty people feel, the more money that they're gonna want. And in a weird [01:04:00] way, Having an inflating money means that more people are sort of beholden and worship money instead of having it serve them.

Yeah.

**Marty:** It's crazy. I had, Matthew is anxious on last week to go over the, uh, global monetary base quarterly update and he's run the numbers for the compound annual growth rate of the physical stock of cash globally. And I think over the last 50 years, the CAGR. Has been 13%, which means you have a doubling of the monetary base every 5.7 years.

**Jimmy:** Yeah, I, I was actually reading a very similar statistic and principles of economics, which I've been reading and safety, and says that the best currencies are expanding at around seven or 8%, and the US dollar, I think is right around seven. But if you weigh all of the money from different countries and how fast they're expanding, hi, his, the number he came up with [01:05:00] historically is 14.

Yeah. So that, I mean, that, that's, it's even worse. That's a, that's a lot. And you know, for every United States you got somebody like that's like 25% and, and because you, the US is so big. I mean, you have lots of little countries that are like 25, 30% of, you know, monetary expansion. That's a lot of value being stolen from people.

Yeah.

**Marty:** What does the world look like if that's not happening?

**Jimmy:** It means a lot less rent seekers for sure. Yeah. Um, but you know, I, it's, it's a great question and I, I honestly don't know exactly what that looks like. 'cause so many people I think are kind of useless in this economy. They're, they're like public leaches in many ways.

And does that mean to say, does that mean No, I think that's true. Like, like we, we tend to like denigrate like the welfare queen or whatever, and you know, to [01:06:00] some degree they deserve it. But, you know, the rent seeker is far more pernicious 'cause they're, they, they're making money that, and they're contributing no value.

So they're, they're like a serious negative where welfare queen, you know, maybe, maybe it's like however many. Kids and it's, you know, 500 a month or something, but the rent seeker just, just like a hundred thousand a year, you know? Yeah. It's, it's, it's way more so, you know, we, we don't need to be worrying so much about the bottom, uh, the, the people abusing things at the bottom.

If we can fix the managerial class. Yeah. The, the bullshit jobs, right. The, the, the rent seekers, the, the people that aren't providing anything. And what's even worse is these people think they're doing something beneficial and they get lots of good status, right? Like, if you work for a Washington think tank, that's like the [01:07:00] hoity-toity get invited to all the parties and stuff, but they're, they're not contributing anything.

**Marty:** No, they're actually adding to the, uh,

**Jimmy:** the roadblocks. If they disappeared tomorrow, nothing would be different. Nothing would be different. Maybe, maybe there's like one less article that's referenced in an M S N B C like feature or something, but that's it. Well,

**Marty:** I think that's probably like the biggest hurdle socially and psychologically is again, the complacency.

Like mm-hmm. Again, going back to my generation nineties kids, I was born in 91. Mm-hmm. It's like the fish and water story. Like you're just born in water. You don't know what water is like. There is multiple generations of people who were born in the water that is fiat. Mm-hmm. And expect life to be a certain way, not realizing that they came up in a completely manufactured reality with no connection to like actual [01:08:00] value or proof of work, and it's gonna be, Very hard to come to grips with the fact that they've been living a lie for decades

**Jimmy:** or that reality has been suspended.

Yeah. And then, okay, here's the real reality. It's coming up right now. You have to provide value and you're not getting paid. Yeah. That, that, um, but in a sense that that's the lesson we kind of need to learn, because the longer you suspend reality, the, the more civilization gets broken down. So the very thing that is being held up or being drawn from like the, we're, we're going to have a much worse world if we continue down this road of rent seeking.

Um, and, you know, Bitcoin is that hope for that reason, because if it does collapse, then here you, you have a new economic system that's not based on rent seeking. Yeah. And that, that's, [01:09:00] that's the key.

**Marty:** Yeah. And then the big question is, how do we get people on that lifeboat? Mm. As quickly as

**Jimmy:** possible. Yeah.

And this is, this is where we've been debating a lot of people on Twitter because, uh, like there, there are all these people that are like, oh, you know what, like a lot of people come into Bitcoin from all coins or whatever. I'm like, no, no, I don't think so. Because there is sort of like, to use a biblical analogy, there's a narrow gate and a Y gate.

Right. There's a narrow gate and a y gate. The Y gate is what everyone enters through. It's just, oh number go up. And, you know, there's like 80 different other cryptos that I'm gonna invest in. And, uh, you know, it's, it's, it's the fiat door, the real door. The narrow door is learning about economics, learning about how money works, what fiat money does, and how it corrupts everything.

And [01:10:00] that, that's, that takes a long time. It takes most people, a few years, even very smart people like Russell Kung and Michael Sailor many months to go down that road. And that's the door. We want people to come through the narrow way and not the wide way. Because the wide way is just gonna make you a degenerate gambler and probably more fiat than you were before.

Uh, unfortunately those two are conflated. Yeah. It's like, oh, as long as you own Bitcoin, you're a Bitcoin. Uh, not exactly. 'cause the things that you value, the mentality that you have and the sort of like the change in values that you need, like it, it's only through the narrow door. Um, and that's, that's unfortunately like, uh, not that common, although it's becoming more common.

I think the community that we're in mostly have entered that door. Um, but how do we [01:11:00] get more people to come in? Honestly, it's, it's just getting slapped by reality and pain is probably the only way they, most people find it. Yeah.

**Marty:** Yeah. No, the whole conversation going on with drive chains right now, it's funny, right?

'cause it's like the whole idea that like, Trying to bend Bitcoin to the will of a particular user and their view of what it should be instead of mm-hmm. Just bending to the will of the rule set that is Bitcoin. Mm-hmm. Mm-hmm. Working within that framework. Mm-hmm. It's like very, the former's, very fiat where it's mm-hmm.

Literally what got us into this problem, why Bitcoin exists in the first place is 'cause we had the levers to basically imbue our will on the fiat monetary system and it got us to this end state. And when it comes to drive chains and bringing all coin functionalities to Bitcoin or [01:12:00] narratives been changing, whatever, just, we just need, uh, merge mind side chains.

Mm-hmm. I don't think I've honestly, truly, intuitively don't think that's true. I don't think the whole security budget. Coveting doesn't make sense to me. 'cause you're trying to use Bitcoin's historical usage and project that into the future. Right. I just think that's completely asinine right

**Jimmy:** now. Yeah.

It's linear projection of a non-linear system and the whole like tactic that layer two labs has been employing is, is very fiat. It's, it's very cheesy. Yeah. It, it's, you're, you're gonna have to agree with us because, you know, we are going to meme you into it or something like that. They're not gonna meme me either.

No. And, and it's, uh, it's unfortunate because they are funded and they have money and they're going to probably try this for a while. Um, but, you [01:13:00] know, the, the, this kind of what you have to deal with with fiat stuff is I. You have people coming in from the outside that are obviously very influenced by fiat, thinking that the rules in Bitcoin are the same as fiat and it's simply not.

And a lot of people don't realize that until it's too late. Uh, I think even Paul knows that to a large degree because he's been trying to get drive chains in for like seven years. But it's not happening. It hasn't happened because consensus is very different and the only way you're gonna get in is by convincing a lot more people.

And honestly, he hasn't done a very good job of doing that. He's, he's not doing it right now. Um, so I don't think there's any hope for this thing. Uh, and in the meantime we're just gonna get more drama. Uh, and

**Marty:** yeah, I've been trying to stay out of it. 'cause I do think it's noise. Matt brought this up on Rabbit Hole recap.

Like if you just [01:14:00] run the probability announce mm-hmm. Analysis of actually getting anything. Uh, merion of Bitcoin, let alone drivetrain specifically, like the probability is very low. Mm-hmm. And with that in mind, you can just most likely ignore it, potentially be surprised to the upside in the future. Um, and yeah, I, I, I completely think the security budget kvetching is just asinine.

It doesn't make any sense.

**Jimmy:** And it's, it's been a narrative around Bitcoin for a long time. Remember how I said that whenever you have a new tech, uh, there's always flood. This is one of those like persistent ones that comes up almost every having, right? It's, oh, what are we gonna do when we run out of, uh, you know, block reward?

Uh, okay. Like, first of all, that's not for a long time. And second, You know, you're, you're linearly projecting out various things. And the, that's the other thing about, oh, you know, on chain you're not gonna have, be able to serve 7 billion people. It's like, [01:15:00] you know, people are gonna build other stuff. Thing is, if it's, if anything has a lot of views, people build new things to make, uh, make it possible for other people to participate because there's a lot of demand for it.

And, and there's profit to be

**Marty:** made. And if it's not there, then we were wrong in the first place. Yeah. Yeah. Like, you can't manufacture the demand like it's gotta be there. Yeah.

**Jimmy:** So it, it, in a way it's. Uh, it, the, it's very fiat, right? Linear projection is extremely fiat. It's, uh, it's, okay, well, you know, this happened over this small amount, so therefore we can project it out to however much the, this why we get peak oil scares every like five years or whatever.

It's, uh, it's always sort of a linear projection, okay, we're using this much and, uh, we're not gonna find anymore, and blah, blah, blah. It's, it's, it's asinine because they're not taking, they, they linearly project [01:16:00] something as if the world is going to stay the same in the meantime. And then, and, and this is again, what fiat does, it's, is it gives the illusion of everything staying the same, uh, through weird monetary means.

Because that's what people find safe, but that's not how things work. And that's, that's not how reality works if he tries to give that illusion. But that's not how

**Marty:** it works. No. I don't know if I have, uh, the energy for another like four core, but I don't think, uh, I'm not, again, I like Paul. I respect Paul.

I've had him on the show a couple times. I've met him in person and really liked interactions in person. But I like separate the man from the idea. I'm not a big fan of the idea. I don't think it's necessary. I don't think it's,

**Jimmy:** yeah. Well, the ironic thing about this whole thing is that a futures market would settle that very quickly.

Yeah. But, and that's, that's why he's been advocating for drive chains. He, [01:17:00] he's had this idea for highlight mind for a long time and he is like, well, I, I want it on Bitcoin. And then therefore, I, I, I really don't think that, um,

**Marty:** It's, do you need to merge my chain to do I

**Jimmy:** don't think so. Efficient futures markets.

Yeah. I, I really don't think so. 'cause really you just need, like, uh, and this is, this is an idea that a lot of people have had and a lot of projects have tried some, somehow Paul thinks that his is gonna be the one that captures everyone's imagination and change the election because people know who'll get voted in because it's, I don't know, like he, he's, uh, he's a very smart guy.

And, but in a way, like when, when you're really smart, you're, you also have the ability to rationalize a lot of things rather than be rational about certain things. Um, and [01:18:00] yeah, I, I just see that about both drive chains and hive mind. He, I, you know, he, he projects. Success for those things where I, I don't think there's any evidence that they're going to be Yeah.

Like, he's like, oh, it'll, it'll mean that people won't use all coins or something. And he said that multiple times though. Like he keeps telling people that it's a straw man. It's like you, dude, you had an all coin pinata at your, at like Bitcoin 2023. Like, you're, you're, why would you do that? Unless you are saying you're going to kill all coins with drive chains?

And yet he's like, you know, this, the slippery kind of arguing that's very common in fiat, which I, I really have very little tolerance for.

**Marty:** Yeah. And I just think about it from like a practical sense when you think about mm-hmm. Something like liquid. Mm-hmm. It's not exactly a me mind side chain. Mm-hmm. Um, [01:19:00] but like the abstraction, like all the wallet compatibility that you need to add once you mm-hmm.

Get something like this live like, and. The putting yourself in the user shoes, like, I'm gonna send it over here and I'm gonna have another token. Yeah. And another wallet. And then like that gets turned up with drive chains. And just from a user experience perspective, like it, I just find it hard to believe that you can create like an experience that's intuitive.

We're comparing that to something like a lightning channel. Like, hey, I lock it up in this two a two Multisig, and I have SATs, I have Bitcoin. Mm-hmm. A lightning wallet. Yeah. I think the abstraction of like merge mind tokens is a stretch to think that people are gonna intuitively grasp that and understand the trade offs that come with it.

And then obviously the biggest worry for me is like the mining, messing with mining incentives, which

**Jimmy:** Yeah, that that, that's a big one. Yeah. Like the thing about Paul is that he doesn't come from like an Austrian perspective. [01:20:00] So like a lot of it, the assumptions that I've seen him make are. That everyone is homo econ economic is that they make hyper-rational decisions and stuff like that.

And that's, that's not how people are. It's based on stuff like you were saying, like the user experience and how easy is it? And those are all hand waved away by non Austrian economist. Oh, if everyone acts rationally, no one's gonna spend if, uh, if there's deflation 'cause it's worth more later. It's like, yeah, but we need to live, dude.

Like the, there we're like the, these are the sort of errors that you get into if you're not, um, thinking of economics from what I think is the core perspective, it's, it's just you get into very weird situations where you assume everyone's homo economicus and get confused when they don't act like it.

Yeah.

**Marty:** Yeah. It'll be interesting to see how [01:21:00] this develops. Mm-hmm. I think a lot of it's just middle of the bear market claws come out. Yeah. People get restless. Um, before we wrap up here mm-hmm. We've got the book. Mm-hmm. Where can people find the book, number one? Mm-hmm. And then once they do find it, what is your hope in terms of what people get after reading this?

What, what do they walk away understanding or how does their view change

**Jimmy:** or, all right. To answer the first question, you can go to fiat ruins everything.com. Ooh. Um, so up until September 6th, which I think will be before this show air,

**Marty:** we're gonna drop this tomorrow, so we'll be on September 6th.

**Jimmy:** Oh, okay.

All right. So if, if you go, uh, on by September 6th, there's gonna be a crowdfund, so you can buy signed copies and things like that. Um, but what am I hoping for with this book? I, I specifically aim this book at. Bitcoiners, uh, people that are already in this space. A lot of my other books, um, they're [01:22:00] aimed at outsiders come into Bitcoin.

This one is specifically for people that are already in Bitcoin to grow their conviction, because I wanna convince them that fiat money really is deeply evil. And that to stay in Bitcoin, to advocate for Bitcoin is a good thing. Um, and, you know, I, I've give them them a lot of ammo on a lot of different topics and try to come at things from first principles on a lot of stuff, um, to not fall into that fiat mentality of trusting the experts or authorities or whoever.

Um, and sort of judge things for themselves. And, you know, some, some of it may land, some of it may not. I had to put a trigger warning in front of like, the chapter on art, for example. Um, but that, that's, that's the idea, is that. Uh, you know, Fiat ruins everything, and I'm gonna show you why. And after you read it, hopefully you're, you're [01:23:00] more convicted than ever.

That sound money is what, what this world needs and that you'll be an advocate for Bitcoin.

**Marty:** Go read the book freaks fiat ruins everything.com. Jimmy, it's good to have you back in the

**Jimmy:** studio. Ah, it's good

**Marty:** to be here. Thank you for your time today. And, uh, I think we have another podcast to record after this.

Yeah,

**Jimmy:** yeah. And uh, and you better write a book. I'm gonna write a book

**Marty:** at some point. I'll write a book. Look out for it. Coming, uh, 2028, having, nah, who knows? Maybe I'll do it in 2024. Yeah, peace of love freaks.